

Helping Businesses Grow and Succeed



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Letter from the Director

Dear Small Business Partners,

We had another tremendous year in 2013. I am pleased and proud to bring you this report of results of the Minnesota Small Business Development Center (MnSBDC) network.

In 2013 the network:

- ▶ Provided 31,600 professional-consultation hours to 3,040 small business clients
- ▶ Helped those clients raise more than \$116 million in new business capital
- ▶ Created or saved more than 6,200 Minnesota jobs.



We closed out our Turn-Around Program, a program focused on helping businesses that were adversely impacted by the 2008 financial collapse to stay in business. More than 200 businesses participated to achieve stabilization and begin new growth. We helped them to refocus operations and refinance \$37 million in long-term and working capital so they could retain nearly 800 jobs. The vast majority of those companies are now seeing new life and new possibilities.

We continued to reach out to veterans returning home from active duty to explore the idea of starting their own business. The SBDC actively engages undergraduate and graduate students on the college campuses upon which our regional centers are located, and we spoke with more than 500 high school and college-age students to make them aware of the opportunities they have to work for themselves when they graduate.

This year we rebranded the SBDC nationally and in Minnesota. Our new brand and logo highlight our efforts to present a unified image designed to increase our visibility. We'll continue those efforts in 2014 and into the future.

We continue to work closely with our partner small business service entities – including SBA, SCORE and WomenVenture – to multiply the effect each of those entities has on improving the Minnesota economy.

Funding for the MnSBDC comes from federal and state sources, institutions of higher education, non-profit agencies and private investors. It represents a perfect example of a successful public-private partnership. We would not exist without the support of our partners listed in the back of this report, and I thank each one of them.

Thank you for taking the time to review this information. I welcome your questions about what we do, or ideas that will help us become even more effective.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bruce H. Strong". The signature is fluid and cursive.

Bruce H. Strong
State Director
Minnesota Small Business Development Center Network

WHO WE ARE

The Minnesota Small Business Development Center (MnSBDC) network philosophy is based on the principle that helping our small businesses is critical to our economy and the quality of our communities. Funded by public funds and private donations, the investments we put into helping those businesses works to shape the future for those businesses and the Minnesota economy. We offer customized technical assistance and support to businesses at any point in their entire life cycle, from start-up to growth or stabilization. Our efforts result in a significant tax benefit return on investment of \$5 for every dollar spent in our budget. Our clients have a huge influence on job creation and our services help those businesses to raise the capital necessary to fund their operation and growth.

Business owners are able to access services through a network of nine regional centers located on college campuses in all corners of the state. Each center offers convenient one-stop service that caters to their regional community's business needs. College students are actively involved in our program to provide our clients with cutting edge technology and to provide the students with real-world business experience.



OUR SERVICES

Our program services are focused in three primary areas—professional business consulting, training and access to capital. Professional business consultation is confidential and available at no cost to entrepreneurs and small business owners throughout Minnesota. Our centers host a wide variety of workshops and training seminars tailored to meet the needs of our clients. Our business consultants have longstanding professional relationships with lenders in their local communities and understand their perspective and needs. In fact many lenders require borrowers to work with their local MnSBDC professional before submitting a loan application.

Our dedicated staff and consultants bring years of experience and a wealth of expertise in real business situations to the clients we serve. They work one-on-one to help our clients identify, understand, and overcome the challenges of running a successful business. Below are just some of the areas in which they provide relevant and sound advice:

- Start-up assistance
- Business plan development
- Access to capital and loan packaging
- Business operations
- Cash flow management and financial analysis
- Bookkeeping and accounting systems
- Marketing plan development and market research
- Export/international trade assistance
- Website development/social media/eCommerce
- Buying or selling a business
- Business valuation and succession planning
- Turn-around assistance for struggling businesses

OUR CLIENTS

Our clients cover the spectrum – women, veterans, minorities, experienced, novices, young, old and in between. In 2013, the MnSBDC served more than 1,000 budding entrepreneurs and hopefuls by helping them transform their ideas into hard numbers. Many were referred to one of our strategic resource partner organizations or participated in one of our professional training programs. Still others were saved from bad investments and financial ruin by being shown that their venture would not fare well in today's market.

The MnSBDC places an emphasis on aiding established businesses and promising start-ups, because their success results in the biggest impact to job and wealth creation. With the number of challenges and

opportunities small businesses face, the guidance of one of our experienced consultants proves invaluable to many of our clients in helping to make the critical strategic decisions necessary for long-term growth, profitability and success. According to our most recent annual satisfaction survey 88% of clients who owned a business found the services they received from the MnSBDC to be beneficial, and 94% would recommend the MnSBDC to other business owners.

TURN-AROUND PROGRAM

The financial market crash of 2008 brought nearly unprecedented challenges to businesses large and small across Minnesota. Many once-stable, profitable businesses struggled to survive, let alone improve operational and financial performance. And while many businesses turned to downsizing as a stopgap measure to improve their situation, downsizing had its own adverse consequences to their long-term health and growth. Many of those businesses were in imminent danger of failing.

The objective of the Minnesota Small Business Jobs Act Turnaround Program was to save or stabilize those businesses hardest hit by the recession and retain the jobs of their employees. The chances of success for a small business owner to successfully navigate the turnaround or revitalization process increased dramatically with the assistance of uniquely qualified turnaround professionals who have the expertise to apply sound practices of management to a sluggish or declining business enterprise.

The Turnaround Program closed at the end of 2013, but we will continue to help struggling businesses through our regular program. In the roughly 2½ years the program was in operation, we achieved the following:

- We met with more than 200 businesses, some of which needed only minor assistance
- 90 of those companies would have failed without the assistance of the SBDC
- 717 jobs were retained
- 65 new jobs were created
- More than \$37.3 million in new or refinanced capital was accessed
- Nearly \$16.8 million in increased sales and revenue was realized by these 200 companies



The MnSBDC State Advisory Board

Each of the nine Minnesota Small Business Development Center (MnSBDC) network regions nominates one individual to serve as a member of the State Small Business Development Center Advisory Board. Those selected represent a wide range of entrepreneurs, financiers and small business advocates with extensive experience and understanding of the unique issues being faced all around our state. They meet regularly to discuss the MnSBDC program and topics of concern to small businesses. In addition, The MnSBDC state director and SBA district director serve on the board as non-voting members.

"This board was created to serve as a link with the small business community around the state and to help chart the course of the MnSBDC for the future," said Bruce Strong, State Director of the MnSBDC network. "We appreciate the willingness of these executives to share their insights and experience in helping us better meet the needs of small business."

The board elected Jill J. Johnson, president and founder of Johnson Consulting Services as the Board Chair.

"Jill Johnson provides a wealth of knowledge to the Advisory Board, and I'm extremely happy that she is serving as chair," observed SBA District Director, Nancy Libersky. "Her deep leadership in Minnesota's small business community and her role on the National Small Business Development Center Advisory Board provide us with a valuable resource."

"We are all honored and excited to be a part of this statewide board for the MnSBDC," said Johnson. "Small businesses are the foundation of our state's economic engine, and we are proud to assist the MnSBDC in serving the Minnesota business community."

Thanks is given to Dale Lewis, Diane Morey, Daniel Richter and Dean Simpson, exiting members of the board.



MnSBDC State ADVISORY BOARD MEMBERS:

Bruce Strong, Jill Johnson, Douglas Farforth, Diane Morey, Peter Nelson and Carie Fuhrman

Not pictured: Connie Christenson, Karen Doll, Barbara Keinath, Kevin Sheehan, Dale Umlauf, and Nancy Libersky.

THE MINNESOTA SMALL BUSINESS DEVELOPMENT CENTER NETWORK ADVISORY BOARD

KAREN DOLL, EXECUTIVE DIRECTOR

Pine Island Economic Development Authority
Southeast Region

DOUGLAS E. FAHRFORTH, OWNER

Blue Star Power Systems, Inc.
South Central

CARIE FUHRMAN, COMMUNITY DEVELOPMENT DIRECTOR

City of Princeton
Central Region

JILL J. JOHNSON, PRESIDENT

Johnson Consulting Services
Twin Cities Metro Region
Board Chair

CONNIE CHRISTENSON, ECONOMIC DEVELOPMENT DIRECTOR

Carlton County EDA
Northeast Region

BARBARA KEINATH, VICE CHANCELLOR OF ACADEMIC AFFAIRS

U of MN - Crookston
Northwest Region

PETER A. NELSON, OWNER

MBA CGBP
North Central Region

KEVIN SHEEHAN, PRESIDENT

Rural Computer Consultants
Southwest Region

DALE UMLAUF, VICE PRESIDENT

West Central Initiative
West Central Region

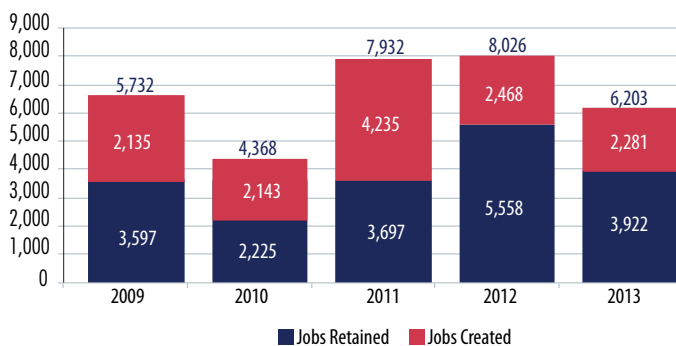
Client Service Results and Client Characteristics

Small Business Clients Consulted	3,040
Professional Consulting Hours Delivered	31,694
Consulting Hours per Client	10.4
Women-Owned Businesses Assisted	1,571 (52%)
Veteran-Owned Businesses Assisted	266 (9%)
Ethnic Minority-Owned Businesses Assisted	315 (10%)
Disabled Person-Owned Businesses Assisted	160 (5%)

Clients who Attributed MnSBDC Assistance to Business Outcomes

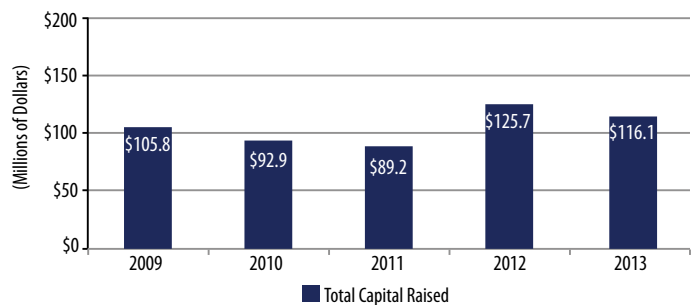
Obtained Financing	80%
Started or Purchased a Business	77%
Improved Productivity	79%
Increased Sales	77%
Added Employees	74%

Impact on Employment*

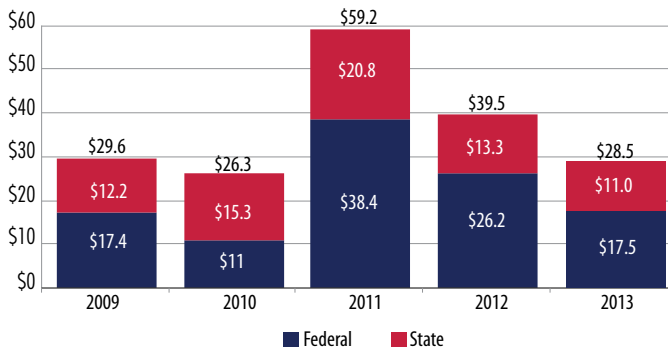


* This data includes indirect and induced jobs based on a 2013 study of clients served in 2011.

Impact on Business Investment Raised

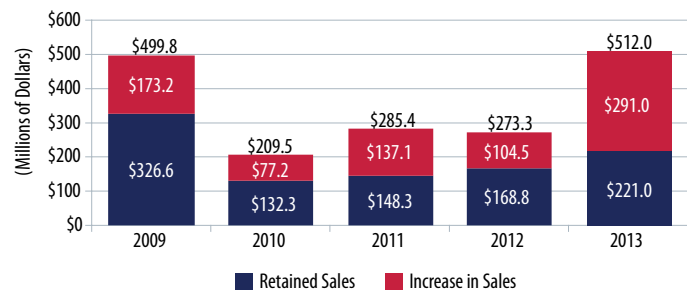


Impact on Tax Revenue Generation*



* This data includes indirect and induced effects based on a 2013 study of clients served in 2011.

Impact on Wealth Creation*



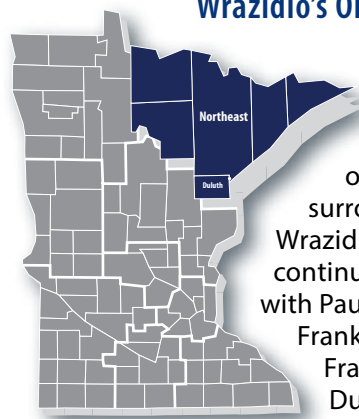
* This data is based on a 2012 Study of clients served in 2011.

\$2,247 — PROGRAM COST PER JOB**

\$5.02 — RETURN ON INVESTMENT**

94% — CLIENTS WOULD RECOMMEND THE MNSBDC TO OTHER BUSINESS OWNERS

** Based on new jobs created directly by clients only, excluding indirect and induced jobs.



Wrazidlo's Old World Meats – Duluth

Since 1951, the Wrazidlo family has been providing quality meats to the Twin Ports area of Duluth, Superior, and surrounding communities. Wrazidlo's Old World Meats continues a tradition that began with Paul Wrazidlo's grandfather, Frank Wrazidlo, when he opened Frank's Quality Meats in Duluth. Today, Old World Meats continues to grow and provide quality products made

with the same meat recipes and techniques handed down through generations.

Paul Wrazidlo first came to the Northeast SBDC at the Center for Economic Development, to participate in the University of Minnesota Duluth (UMD) Student to Business Initiative Marketing program in fall 2012. UMD students created an impressive integrated communications and marketing plan. "The marketing program was the boost we needed," Wrazidlo said. "We have used 99 percent of their proposed marketing suggestions, and today when I walk through the door of a prospective customer, I think 'people buy what I believe.' The students stressed this in their presentation."



Paul Wrazidlo, owner of Old World Meats in Duluth

After his experience with the SBI program, Wrazidlo decided to continue seeking assistance to implement the students' marketing ideas. He worked with SBDC consultant Curt Walzcak and student interns to implement a plan involving social media, website, and rebranding. Wrazidlo remembers his first meeting. "I sat down with Curt, I told him the business is good but that he had to fix me! I get to a certain point, then I plateau."

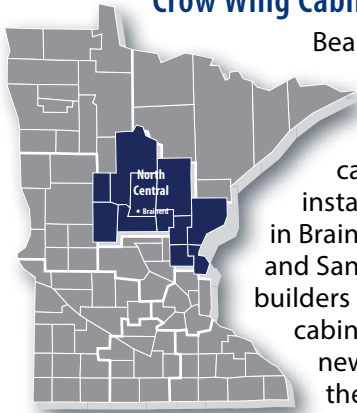
Wrazidlo sought assistance again in 2013; The SBDC helped him get an SBA 7(a) loan and conventional bank financing to buy machinery and helped him expand the business-to-business market. The business had suffered building damage due to the Duluth flood in June 2012. Wrazidlo was planning to apply for a SBA Disaster Recovery Loan but decided to refinance everything to allow him to expand. "Curt has been able to help me think big and reach out not only on a local level but a global one," Wrazidlo said. It was a long process but Walzcak helped him through the challenges. Last year Wrazidlo ordered two pieces of equipment and refinanced his business loan – and store sales are up substantially over 2012.

After a lot of work, Wrazidlo's idea to expand Old World Meats has come to fruition. His tenacious attitude to keep moving forward, a local banker who believed in the project, and an SBDC consultant who helped put it together made the project happen.

<http://www.oldworldmeats.net>

Northeast Regional MnSBDC	2013
SBDC Regional Budget	\$575,542
Federal & State Investment	\$315,283
Local Match Investment	\$260,259
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	476
Client Hours Delivered	5655
Average Hours per Client	11.9
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	886
Program Cost per Job	\$650
New Businesses Created	36
Capital Accessed for Business Investment	\$15,528,386
Business Revenue Increased and Saved	\$71,563,946
Tax Revenues Generated	\$3,527,414
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02

Crow Wing Cabinets – Brainerd



Beauty, durability and functionality are just a few words that describe the craftsmanship of the cabinetry designed, built and installed by Crow Wing Cabinets in Brainerd. Since 1992 owners Dave and Sandy Beyer have worked with builders and homeowners to provide cabinets and countertops for new and remodeled homes in the Brainerd Lakes area. As the company has grown, the North Central SBDC at Central Lakes

College has advised and assisted the Beyers in a variety of management areas. From financing a major relocation and building expansion in 2003 to helping the company weather the economic downturn and accompanying drop in the construction industry, the SBDC has worked with the business to grow, survive and grow again.

"The SBDC was there when we needed them through growing pains and the even more painful downsizing we needed to go through," Sandy said. "They helped us make key decisions to manage our business successfully."

The Beyers worked with seven SBDC consultants over the years receiving guidance on marketing and sales, financial analysis, strategic planning and addressing management issues that all business owners face. "Business owners face many challenges every day when sales and operations are going great and especially when a company hits some road bumps," said Greg Bergman, North Central SBDC regional director. "We work hard to bring consultants with the right experience and training to businesses to meet their needs." Partnerships are key to the success of the North Central SBDC program. The SBDC was able to partner with Brainerd Lakes Area Economic Development Corporation and SCORE counselors to advise Crow Wing Cabinets. "Partnerships allow us to share expertise and ensure that businesses receive the best resources we have to offer in the area," Bergman added.

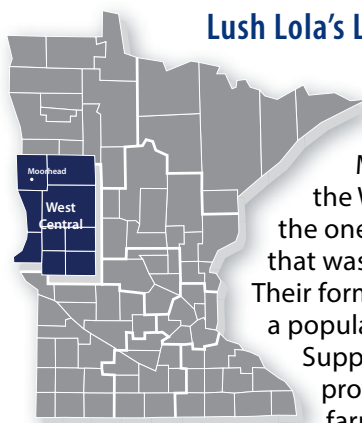


Dave Beyer-owner, Ben Beyer-sales

Recently their son Ben became involved in the business and has been leading the company's sales efforts. Due in large part to Ben's efforts and some coaching from the SBDC, the company is exceeding sales goals and has received the largest customer order in company history. "We appreciate the support we have had from the SBDC over the years," Sandy said. "As we grow we look forward to continuing to work with the SBDC and partners."

www.crowwingcabinets.com

North Central Regional MnSBDC	2013
SBDC Regional Budget	\$333,763
Federal & State Investment	\$191,599
Local Match Investment	\$142,164
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	405
Business Consulting Hours Delivered	2,952
Average Hours per Client	7.3
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	1,004
Program Cost per Job	\$332
New Businesses Created	27
Capital Accessed for Business Investment	\$13,218,501
Business Revenue Increased and Saved	\$54,725,092
Tax Revenues Generated	\$4,541,895
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02



Lush Lola's LLC – Detroit Lakes

In the middle of a farming business bankruptcy, Shannon and Jim Malzahn sought the help of the West Central SBDC to salvage the one part of their business that was working—prepared food. Their former farming business had a popular meat CSA (Community Supported Agriculture). They also provided retail meat sales at farmers markets and a handful of festivals in which they

prepared their unique meat sandwiches. But after a series of farming misfortunes in 2011, the family moved on to other jobs to make ends meet.

The prepared meat sandwiches continued to be a successful source of other family income. In the summer of 2012, one local festival in particular changed the course of the family's career path. Festival organizers invited the Malzahns to participate as a vendor on a much larger scale. The invitation prompted a re-branding and a new focus on the popularity of Malzahn's food—fun, unique cuisine and the staff to match. Lush Lola's was born!



Shannon and Jim Matzahn, owners of Lush Lola's

Shortly after the re-branding, the family noticed they were getting more requests to cater private events—a move they hadn't considered before. The idea seemed sound given a little research and planning. Start-up costs were minimal. They had enough experience to get started and see if it would stick. Shannon rented a small office at the local entrepreneurial center to take advantage of business resources, including access to Matt Magness, West Central Small Business Development Center consultant, who came in once a month to consult with tenants. Magness helped Shannon craft a business plan and talked about ways to grow the business without accessing traditional lending sources. He also created realistic numbers and financial projections within the Malzahns comfort level, and gave sound business advice. With Magness' help, the Malzahns were able to secure money from a revolving loan fund through West Central Initiative – funding the purchase of a hog roaster and other equipment to get started catering full-time.

In 2013, the Malzahns far exceeded initial projections and have a nearly full calendar for the 2014 catering season. In fact, the Malzahns are one of the most popular wedding caterers in their area, attracting the attention of local venues and press.

<http://lushlolas.com/>

West Central Regional MnSBDC	2013
SBDC Regional Budget	\$387,663
Federal & State Investment	\$195,533
Local Match Investment	\$192,130
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	217
Business Consulting Hours Delivered	3,413
Average Hours per Client	15.7
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	676
Program Cost per Job	\$573
New Businesses Created	8
Capital Accessed for Business Investment	\$27,306,456
Business Revenue Increased and Saved	\$36,415,004
Tax Revenues Generated	\$2,546,027
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02

Apricot Lane – Cold Spring



Once when Laura Vogel was a little girl in Cold Spring, she threw a tantrum because she could only choose one dress. "Someday I will own my own store," she said, "then I can have as many dresses as I want."

The grown-up Vogel came to the Central SBDC on the St. Cloud State University campus in 2012. She walked into the office of Matt Wells, SBDC business consultant, with a franchise agreement in one hand, a business plan template in the other and a dream of being a business owner. Wanting to open a high-end fashion boutique in St. Cloud, she sought advice on the feasibility of the Apricot Lane franchise and financing. After thoroughly reviewing the business model, researching the franchise, comparing their financial and growth projections and taking into account the local market, Wells sent Vogel on her way with homework. Nearly a month later, she returned with a complete plan and was on her way to becoming the newest fashion retailer in Central Minnesota.

The financing was easy; the logistics were more of a challenge. The original opening date had moved from spring to the fall of 2013 due to lease negotiations and the seasonality of the industry. Wells and Vogel worked closely, often talking several times a week to prepare for the opening. The Central SBDC also assisted Vogel in several marketing campaigns to build brand recognition and reach thousands of potential customers.

Vogel's new Apricot Lane store opened in August 2013 inside Crossroads Mall in St. Cloud. The boutique retailer appeals to a more upscale clientele seeking the newest branded fashion apparel, jewelry, handbags, shoes, accessories and gifts. Apricot Lane is at the forefront of fashion – they receive only a handful of a certain items at any given time which may never be in the store again—and Vogel takes great pride in bringing in the newest West Coast fashion trends to Central Minnesota.

The Apricot Lane franchise did not see the opportunity in Central Minnesota until Vogel brought it to their attention. The store has established a very loyal customer following. Less than a year into business, the St. Cloud location currently has one of the highest monthly foot traffic counts in the country. Vogel has a second-to-none passion for customer service and takes incredible pride in creating long-term relationships with every one of her customers.

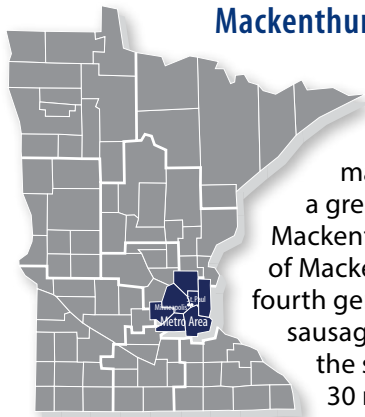


Laura Vogel, owner of Apricot Lane franchise store in St. Cloud

The Central SBDC has been with Vogel every step of the way – and plans to continue working with her for many years to come. Vogel's appreciation and commitment to the Central SBDC is why Apricot Lane was named the Small Business of the Year for Central Minnesota in 2013.

www.apricotlanestcloud.com

Central Regional MnSBDC	2013
SBDC Regional Budget	\$363,286
Federal & State Investment	\$181,581
Local Match Investment	\$181,705
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	305
Business Consulting Hours Delivered	3,484
Client Hours Delivered	11.4
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	540
Program Cost per Job	\$673
New Businesses Created	22
Capital Accessed for Business Investment	\$16,418,839
Business Revenue Increased and Saved	\$32,434,407
Tax Revenues Generated	\$2,664,491
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02



Mackenthun's Meats & Deli – St. Bonifacius

She's a woman in a man's world. But, man, has she created a great business. Cathy Mackenthun, owner and operator of Mackenthun's Meats & Deli, is a fourth generation meat cutter and sausage maker. Her shop sits on the south side of St. Bonifacius, 30 miles west of Minneapolis.

Mackenthun started working full-time in the store for her father, Ruben, in 1978. Ruben passed away in 1979, and she purchased it in 1981. Under her ownership the business has grown from six employees to 22. Providing her customers with handmade smoked meats, sausages, jerky and many other products, Mackenthun is passionate about remaining a local, sustainable force in the community.

"The business has really taken a direction in all-natural and local," said Mackenthun. "Because we are small, people expect that. It's made a huge impact on the store the last four or five years, and our numbers really prove it. It's that feel and look of a co-op. People want to know where their meat's from and what's in it. We buy all our pork from a local producer. We buy quite a bit of local beef, as much as we can, you name it, across the store."



Cathy Mackenthun, owner of Mackenthun's Meats & Deli

She first came to the Twin Cities SBDC for advice in 2003. Still using its services today, Mackenthun works with SBDC independent contractor Dick Enrooth.

"When she's got an issue, she calls me," said Enrooth. "I give her a couple options and tell her what I found worked best with the clients I've worked with in over 30 years. It's kind of a pick-and-choose of what fits best with her style."

Enrooth said Mackenthun steered the direction of the store into what it is today because she's not afraid to try something new with the business.

"We're both on the same track," Enrooth added. "We came to the same conclusion that this is a gem, let's really polish it and make it shine. She took the lead and really did a good job creating a destination shop that people go out of their way to find."

Mackenthun said it's challenging being a woman in the meat industry, even today. But consistently putting out quality products is what's gotten her over that hurdle and kept her business strong.

"Our name has been so established over the years that word-of-mouth by far is our best means of advertising," said Mackenthun. "You run a sale, and it gets to be an annual thing. People just know. You don't have to put it out there anymore. They just come in. Longevity has helped."

www.mackenthunsmeats.com

Twin Cities Metro MnSBDC		2013
SBDC Regional Budget		\$484,740
Federal & State Investment		\$205,713
Local Match Investment		\$279,027
Professional Business Consulting Service Deliverables		
Entrepreneurs and Businesses Served		380
Business Consulting Hours Delivered		3,564
Client Hours Delivered		9.4
Economic Impact as a Direct Result of SBDC Services		
Jobs Created and Saved		1,102
Program Cost per Job		\$440
New Businesses Created		13
Capital Accessed for Business Investment		\$6,713,400
Business Revenue Increased and Saved		\$56,351,845
Tax Revenues Generated		\$6,240,194
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)		\$5.02



Smooth Moves Seats –

Blooming Prairie

Kevin Christianson is no stranger to small businesses, having started, bought, and sold many over the years. When Christianson, who likes to boat and fish, was offered the opportunity to purchase the boat seat mount company Smooth Moves Seat Mounts in 2010, he took the plunge.

Professional anglers in the United States and Canada use the product: In rough water this universal seat mount works like a shock absorber to your boat seat.

His first few years were rough sailing because the boating industry was underwater. So Christianson set a course for increasing sales and growing Smooth Moves Seat Mounts. He spent countless hours marketing his product, convinced professional anglers to use it, and gave testimonials. Sales started to increase, and Christianson started conversations with boat manufacturers to get his product installed at the factory instead of a consumer purchase as an accessory for new boats.

In 2012 Christianson found he needed additional working capital to expand and grow his business. His banker wanted him to meet with Rick Indrelie consultant at the Southeast SBDC, to get an updated business plan. Christianson had met with many business and financial experts who had not lived up to the hype. Yet he met with Indrelie to go over the plan and see what the SBDC could do for him and his business. The SBDC helped package a 7(a) loan, update his business plan, create realistic goals, and improve his cash position. Without the loan, Christianson would not have been able to grow his business and increase sales by 70 percent. "Rick is the real deal," he said. "He has the skills to help you and your business move forward."

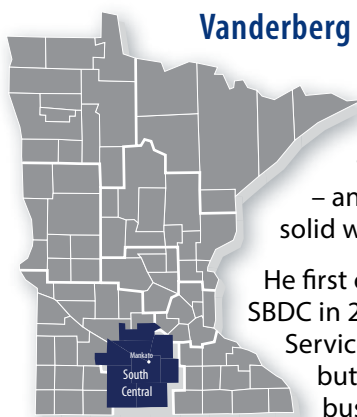
Christianson's outlook for 2014 is great. The big brand name fishing boats—Warrior, Triton, Legend, Hewescraft and Tracker—are offering his seat mounting system. And more and more anglers are adding his seat mounting system to their boats.

www.smoothmovesseats.com



Jeremy Doerhofer - Technician, Chad Rasdal - Sales and Marketing, Kevin Christianson - Owner

Southeast Regional MnSBDC	2013
SBDC Regional Budget	\$303,564
Federal & State Investment	\$155,898
Local Match Investment	\$147,666
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	324
Business Consulting Hours Delivered	2,610
Average Hours per Client	8.1
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	464
Program Cost per Job	\$654
New Businesses Created	27
Capital Accessed for Business Investment	\$9,145,300
Business Revenue Increased and Saved	\$60,543,714
Tax Revenues Generated	\$2,541,287
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02



Vanderberg Clean - Mankato

Joshua Vanderberg worked for his grandparents' cleaning service as a pre-teen through high school – and learned the meaning of a solid work ethic and quality service.

He first came to the South Central SBDC in 2008 seeking to buy a local ServiceMaster franchise location, but decided to start his own business instead. His SBDC consultant helped him create

financial projections and a promising business plan. Vanderberg applied for and received a microloan and invested some of his own money into the business, too.

He went on to create Vanderberg Clean, a cleaning firm that includes janitorial, carpet cleaning, hard floor cleaning, post-construction cleaning and disaster restoration services. He credits the business' early success by offering the best value in cleaning service during a time of a stagnant national economy. To ensure their distinctness, Vanderberg and his wife, Becca Vanderberg, established standards for every aspect of the job and created a comprehensive manual that covers cleaning methods and techniques. Many clients have chosen and stayed with the company due to the quality of their work.



Josh and Becca Vanderberg, owners of Vanderberg Clean

When the Vanderbergs were looking to make the business grow, they returned to the SBDC for working capital to fund growth, QuickBooks assistance, updated business plan and projections, and strategies for marketing and long-term success. Both have completed the SBDC's financial management course, Profit Mastery®: Creating Value and Building Wealth. They diligently keep their business plan and financial projections up to date.

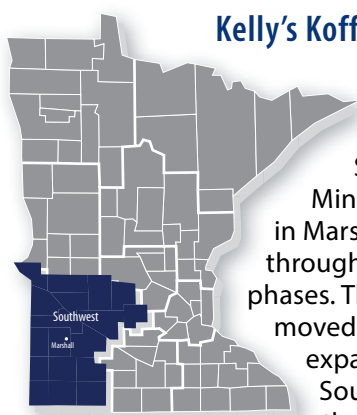
The business has seen tremendous success and growth. Vanderberg has exceeded all of his sales and profit goals and secured additional capital loans. The company contracted with 52 janitorial service accounts in 2013, including churches, manufacturers, medical clinics and auto dealers in Mankato, New Ulm, Le Sueur and Waseca areas. The business currently employs 33 people.

Since his days emptying trash in his grandparents' business, Vanderberg has developed into a confident entrepreneur who has established an impressive bottom line and positioned Vanderberg Clean for a prominent role in southern Minnesota. This year he'll determine where in southern Minnesota the business will expand. The business is on track toward his 10-year projection of being a \$10 million company.

For their excellence, Joshua and Becca Vanderberg were named as the 2014 winner of the SBA Young Entrepreneur of the Year Award.

<http://www.vanderbergclean.com/>

South Central Regional MnSBDC	2013
SBDC Regional Budget	\$524,793
Federal & State Investment	\$245,001
Local Match Investment	\$279,792
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	459
Business Consulting Hours Delivered	4,673
Average Hours per Client	10.2
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	656
Program Cost per Job	\$800
New Businesses Created	31
Capital Accessed for Business Investment	\$5,536,910
Business Revenue Increased and Saved	\$94,109,911
Tax Revenues Generated	\$2,628,307
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02



Kelly's Koffee - Pipestone

Kelly Brinkmeyer opened Kelly's Koffee in Pipestone in 2004. The Southwest SBDC, hosted by Southwest Minnesota State University in Marshall, assisted Brinkmeyer through the pre-start and start-up phases. Three years later, Brinkmeyer moved to a larger location and expanded her business. The Southwest SBDC assisted throughout the transition.

Early in 2013, she decided to sell the business to pursue other opportunities. Keith and Rhonda Yochem made a life-changing decision to buy the business. Although they had no experience in restaurants, the Yochems were confident they could learn and carry on the Kelly's Koffee tradition.

In the early stages of purchasing the business, their local lender, First State Bank, referred the couple to the Southwest SBDC. Jennifer Anderson, SBDC business consultant, worked with the Yochems on writing a business plan and financial projections, financing structure and preparing a loan package. Rhonda said working with the SBDC opened their eyes to what was required to pull their financing together.

Kelly's Koffee is truly a family business. Keith manages the day-to-day operations including cooking and supervising seven employees. Rhonda works full-time at the Pipestone County Medical Center; however, she finds the time after work and on weekends to be involved with the financial side of the business. Daughters Lauren, 14 and Sara, 11 "are pleased to be involved with the business, both contributing in their own way," Rhonda said. Lauren is known for her made-from-scratch desserts, and Sara found her place behind the counter and works to perfect taking orders from customers using the drive-through window.

The Yochems chose to continue many of the same menu offerings, while introducing some new items and food specials. Keith's prior experience working in a grocery meat department has proven to be a bonus for the customers who return for hand-cut steaks and freshly ground burgers with homemade buns.

The Yochems pride themselves on offering superior customer service and agree that they have a passion for "making lifetime memories" for many patrons of the restaurant. Since taking ownership, the family has hosted



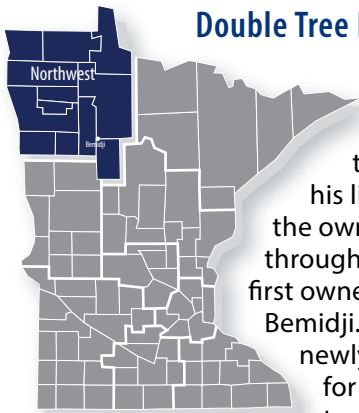
Sara, Rhonda, Lauren and Keith Yochem

many groups and clubs during regular business hours as well as after hours.

Anderson recently learned that sales have surpassed initial projections. "It was a pleasure to work with the Yochems at the business start-up phase," said Anderson. "I look forward to providing SBDC assistance as they make the critical strategic decisions necessary for long-term success."

www.facebook.com/pages/Kellys-Koffee/10258701783

Southwest Regional MnSBDC	2013
SBDC Regional Budget	\$313,829
Federal & State Investment	\$185,248
Local Match Investment	\$128,581
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	223
Business Consulting Hours Delivered	2,785
Average Hours per Client	12.5
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	420
Program Cost per Job	\$747
New Businesses Created	29
Capital Accessed for Business Investment	\$15,534,765
Business Revenue Increased and Saved	\$70,364,458
Tax Revenues Generated	\$2,042,102
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02

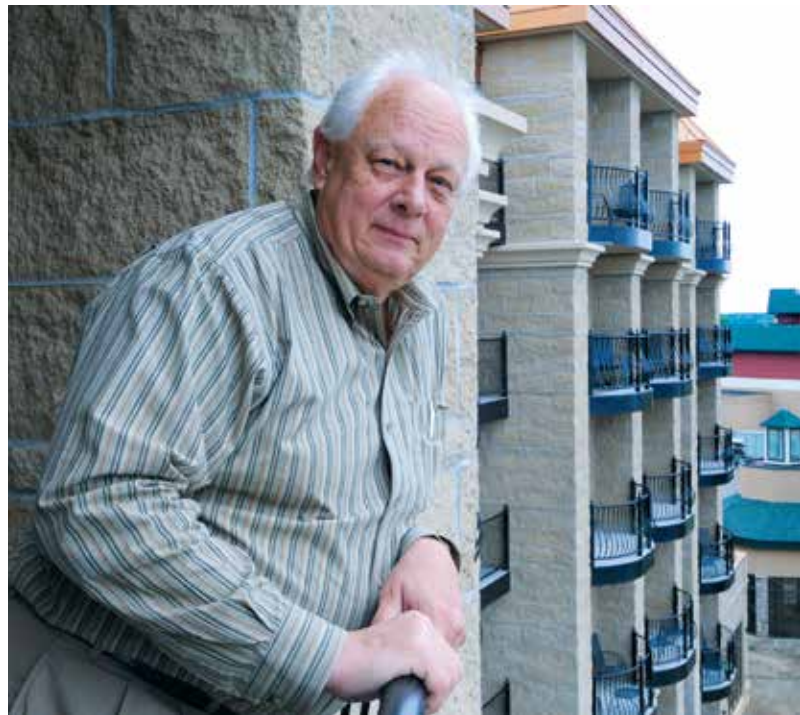


Double Tree Hotel – Bemidji

Rich Siegert got his start in the hospitality industry at the age of 10. Since then he has been following his lifelong calling, becoming the owner of seven businesses throughout the Bemidji area. Siegert first owned a small motel on Lake Bemidji. Today he owns beautiful, newly built hotels and restaurants for locals, tourists and business travelers to visit and enjoy.

Siegert first contacted the Northwest SBDC in 2009 for assistance on financial projections and access to capital. "I could say a lot of positive things about the SBDC, but I really noticed how friendly and professional the staff and consultants were," Siegert said. "They were good to work with, always pulling through. And when dealing with financials they were able to tell me if I was on the right track—or completely off."

The DoubleTree Hotel, which opened last year and overlooks the southern end of Lake Bemidji, is his most recent project. The hotel adjoins the Hampton Inn and Green Mill Bar & Restaurant, which Siegert also owns. The aesthetically pleasing exterior perfectly accompanies the inviting, relaxing and grand interior. The hotel boasts six floors, 88 guest rooms, and a 700-ft. sandy beach on



Rich Siegert, owner of DoubleTree Hotel in Bemidji

Lake Bemidji. Guests also enjoy an indoor swimming pool, waterslide and spa.

Siegert employs 347 people among all his very successful businesses, and greatly contributes to the economic vitality and infrastructure of the city of Bemidji through income tax generation and increased tourism.

"The SBDC has been instrumental in my success of this large project," Siegert says. "I will continue to utilize their services for big projects in the future."

<http://goo.gl/oi6YsA>

Northeast Regional MnSBDC	2013
SBDC Regional Budget	\$375,094
Federal & State Investment	\$195,302
Local Match Investment	\$179,792
Professional Business Consulting Service Deliverables	
Entrepreneurs and Businesses Served	262
Client Hours Delivered	2559
Average Hours per Client	9.8
Economic Impact as a Direct Result of SBDC Services	
Jobs Created and Saved	455
Program Cost per Job	\$824
New Businesses Created	12
Capital Accessed for Business Investment	\$6,716,790
Business Revenue Increased and Saved	\$35,552,625
Tax Revenues Generated	\$1,809,603
Total Statewide Program Return on Investment (Total tax benefit to \$1 invested)	\$5.02

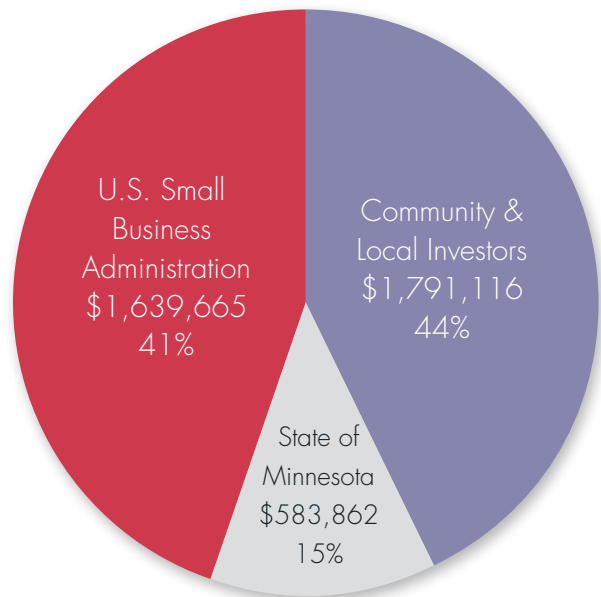
Partners In Success

MnSBDC owes its success to the generous support of a broad array of public and private partners. The funding for our program starts with the U.S. Small Business Administration and includes the State of Minnesota, as well as many county and local government economic development entities. Without the financial commitment of the colleges that host our regional centers, the MnSBDC simply would not exist. Private lenders, foundations, initiative funds and corporate donors also make up a significant portion of our budget.

Our partners share in the vision for Minnesota's business success and recognize the direct positive relationship between nurturing small business and the well-being of their communities, geographic regions and the state as a whole.

Community and economic development partners enthusiastically support the work of the MnSBDC because they see firsthand the benefits that accrue to their communities in the form of more and better businesses that provide diversity and opportunity to enhance the quality of community life, as well as better jobs, an increased tax base and stronger local economies.

Minnesota SBDC Budget Sources 2013



Colleges and universities count on the opportunities for their students to obtain real-world experience in starting, operating and growing a small business.

Lenders know that companies are more likely to succeed if they work closely with professional MnSBDC consultants to develop realistic financial projections, thorough business plans and adequate controls to measure financial and operational performance. That reduces lending risk so that they can provide the capital necessary for growth.

Every dollar invested in the MnSBDC program provides a significant return on that investment. We're so grateful for funding partners that understand that, and for their incredible continuing commitment to this program. With their support, we will continue to offer high quality professional technical assistance to the small business clients we serve.

Together, we are helping entrepreneurs and businesses grow and succeed.

Please see pages 16 and 17 for a list of our valued partners.

Funding Partners

Platinum Partners

Funding levels up to \$50,000*



OFFUTT SCHOOL of BUSINESS



ST. CLOUD STATE UNIVERSITY



Gold Partners

Funding levels of \$10,000 - \$50,000*



*Reflects 2012-2014 funding support

Silver Partners

Funding levels up to \$10,000*



504 Corporation	East Grand Forks Economic Devp and Housing Authority	Minnesota Power
Alexandria Area Economic Development Commission	Eastwood Bank	Minnesota Valley Federal Credit Union
American National Bank - Pequot Lakes	Ely EDA	MN State University
City of Barnesville EDA	Entrepreneur Fund	Moorhead Business Association
Bell State Bank & Trust	Farmers State Bank - Trimont	Murray County
BlackRidge Bank - Nisswa	First Bank Blue Earth	Nobles County
Border State Bank - Greenbush	First Farmers & Merchants Bank	Northwest Minnesota Foundation
Bremer Bank - Brainerd	First National Bank - Herman	Park State Bank
Bremer Bank - Crookston	First National Bank - St. Peter	Peoples National Bank of Mora
Bremer Bank - Warren	First National Bank - Mahnommen	Peoples State Bank Plainview
Brown County	First Security Bank	Pine Island State Bank
Citizen's National Bank - Park Rapids	First State Bank	Pioneer Bank - St. James
Citizen's State Bank - Roseau	Foresight Bank	ProGrowth Bank - Nicollet
City of Blue Earth	Fransden Bank and Trust	Renville County
City of Eveleth	Greater Mankato Growth	Riverwood Bank
City of Fairmont	Hometown Bank - St. Peter	SouthPoint Federal Credit Union
City of Hutchinson	Hubbard County Regional Economic Development Commission	St. Cloud State University Foundation
City of Le Center	Initiative Foundation	State Bank of Faribault
City of Moorhead EDA	Iron Range Resources and Rehabilitation Board	Think Mutual Bank
City of Pine City EDA	Le Sueur EDA	Ultima Bank Minnesota
City of Sleepy Eye	Marketing Ventures	United Community Bank
Community National Bank - Austin	Meeker County	Unity Bank North
Cook County Higher Education	Mid-Minnesota Federal Credit Union	Vista Prairie Communities
Cottonwood County	Midwest MN Community Development Corporation	Voyager Bank - Mankato
Crookston Housing and Development Authority	Minnesota Business Finance Corporation	Waseca County
Deerwood Bank - Bemidji		Watsonwan County
Deerwood Bank - Baxter		Wells Federal Bank - Wells
		West Central Labor Council

Shared investment = Shared success

MNSBDC *Regional and Lead Centers*

NORTHWEST

University of Minnesota Duluth
Center for Economic Development
201 3rd Street NW, Suite 203
Bemidji, MN 56601
Phone: 218.755.4255
nwsbdc@d.umn.edu

NORTH CENTRAL

Central Lakes College
Business & Industry Center
501 West College Drive
Brainerd, MN 56401
Phone: 218.855.8140
gbergman@clcmn.edu

NORTHEAST

University of Minnesota Duluth,
Center for Economic Development
11 Superior Street, Suite 210
Duluth, MN 55802
Phone: 218.726.7298
umdc@d.umn.edu

WEST CENTRAL

Concordia College
901 8th Street South
Moorhead, MN 56562
Phone: 218.299.3037
sbdc@cord.edu

CENTRAL

St. Cloud State University
355 5th Avenue South
St. Cloud, MN 56301
Phone: 320.308.4842
klross@stcloudstate.edu

TWIN CITIES METRO AREA

University of St. Thomas
Terrence Murphy Hall 100
1000 LaSalle Avenue
Minneapolis, MN 55403
Phone: 651.962.4500
smallbus@stthomas.edu

SOUTHWEST

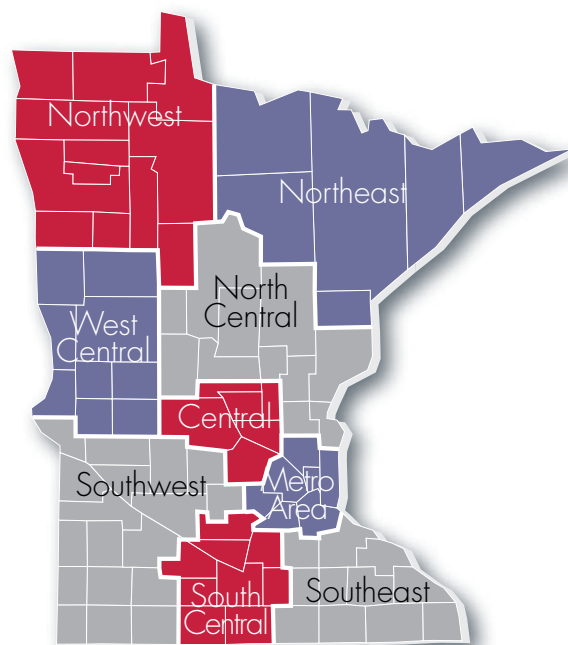
Southwest Minnesota
State University
1501 State Street
Science and Technology Building
Room 201
Marshall, MN 56258
Phone: 507.537.7386
sbdc@smsu.edu

SOUTH CENTRAL

Minnesota State University, Mankato
120 Alumni Foundation Center
1536 Warren Street
Mankato, MN 56001
Phone: 507.389.8875
julie.nelson@mnsu.edu

SOUTHEAST

Rochester Community &
Technical College
Heintz Center
1926 College View Road SE
Rochester, MN 55904
Phone: 507.285.7536
semnsbdc@gmail.com



STATE OFFICE

(Administrative)
Minnesota Department of Employment and
Economic Development/SBDC
1st National Bank Building
332 Minnesota Street
Suite E200
St. Paul, MN 55101-1351
Phone: 651.259.7423
Toll free: 877.653.8333
deed.mnsbdc@state.mn.us

WWW.MNSBDC.COM

